

OFFICE OF THE DIRECTOR
DEPARTMENT OF MOTOR VEHICLES
P.O. BOX 932328
SACRAMENTO, CA 94232-3280



TITLE 13: DEPARTMENT OF MOTOR VEHICLES

NOTICE IS HEREBY GIVEN

The Department of Motor Vehicles (the department) proposes to amend Section 423.00, in Chapter 1, Division 1, Article 6, of Title 13 in the California Code of Regulations to identify the annual adjustment of specified fees for 2017.

PUBLIC HEARING

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than 5:00 P.M., fifteen (15) days prior to the close of the written comment period.

DEADLINE FOR WRITTEN COMMENTS

Any interested party or his or her duly authorized representative may submit written comments relevant to the proposed regulations to the contact person identified in this notice. All written comments must be received at the department no later than 5:00 P.M., **AUGUST 28, 2017**, the final day of the written comment period, in order for them to be considered by the department before it adopts the proposed regulation.

AUTHORITY AND REFERENCE

The department proposes to adopt the proposed action under the authority granted by Vehicle Code sections 1651 and 1678, in order to implement, interpret or make specific Vehicle Code sections 1678, 1685, 4604, 5014, 5036, 6700.25, 9102.5, 9250, 9250.8, 9250.13, 9252, 9254, 9258, 9261, 9265, 9702, 11515, 11515.2, 14900, 14900.1, 14901, 14902, 15255.1, 15255.2, 38121, 38225.4, 38225.5, 38232, 38255, 38260 and 38265; Code of Civil Procedure section 488.385; and Revenue and Taxation Code section 10902.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Since January 1, 2005, Vehicle Code sections 1678 and 1685 require the department to annually review and adjust a variety of department fees. The fees are to be adjusted in an amount equal to the increase in the California Consumer Price Index (CPI) for the prior year as calculated by the Department of Finance and will only be increased when the calculated amount equals or is greater than \$0.50 rounded to the next highest whole dollar. All of the fee adjustments provided in this proposed action are authorized under Vehicle Code section 1678.

The department proposes to amend Section 423.00 to identify the Vehicle Code sections for which the corresponding fee is being increased. These fees will be effective January 1, 2018. This proposed amendment is neither inconsistent nor incompatible with existing law.

Calculations for determining fee adjustments

In determining whether or not a fee will be adjusted, the department uses the Department of Finance CPI forecast and compares that to the CPI when the baseline of the fee was determined per the statute. That percentage increase is multiplied to the base fee to determine if the fee needs to be increased. These fees were selected for the annual adjustment because they are the only fees that increased by \$0.50 or greater and allowed the department to round up to the next dollar.

PROBLEMS THIS DEPARTMENT INTENDS TO ADDRESS AND BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

The department is tasked with collecting fees and dispersing them to both state and local agencies that use the fees to fund programs. If the fees are not adjusted according to the consumer price index, agencies that rely on these collections, may not be able to adequately fund the programs.

ANTICIPATED BENEFITS

The adjusted fees will allow the department to continue offering licensing and registration services needed in California residents. To ensure residents are aware of the adjusted fees, the department established fees in regulation.

COMPARABLE FEDERAL AND STATE REGULATIONS

The department is the only agency tasked with collecting these transportation based fees, therefore, there are no comparable federal or state regulations.

CONSISTENCY AND COMPATIBILITY WITH OTHER STATE REGULATIONS

The department has conducted an evaluation for any regulations related to the annual adjustment of fees specified in the Vehicle Code. In doing so, the department has determined that this regulatory action is both consistent and compatible with other state regulations.

DOCUMENTS INCORPORATED BY REFERENCE

There are no documents to be incorporated by reference.

ECONOMIC AND FISCAL IMPACT DETERMINATIONS

The department has made the following initial determinations concerning the proposed regulatory action:

- Cost or Savings to Any State Agency: None.
- Other Non-Discretionary Cost or Savings to Local Agencies: None.
- Costs or Savings in Federal Funding to the State: None.

- Cost Impact on Representative Private Persons or Businesses: The department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. The department is required by statute to adjust specific fees based on the California Consumer Price Index for the prior year, as calculated by the Department of Finance.
- Effects on Housing Costs: None.
- Local Agency/School District Mandates: The proposed regulatory action will not impose a mandate on local agencies or school districts, that requires reimbursement pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code Section 17500 et seq.
- Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.
- Small Business Impact: The proposed regulation may affect small businesses. These fees are paid by individuals. If a fee is paid by a business, the department does not anticipate a significant impact, as the fee is adjusted by such a small amount.
- Significant Statewide Adverse Economic Impact Directly Affecting Businesses: The proposed regulatory action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

RESULTS OF THE ECONOMIC REGULATORY IMPACT ASSESSMENT

The department states the following results of its Economic Impact Assessment per Government Code section 11346.3(b):

The department has determined that the fees increased by this proposed action and authorized by Vehicle Code section 1678 are not likely to impact, a) the creation or elimination of jobs within the state, b) the creation of new businesses or the elimination of existing businesses within the state, or c) the expansion of businesses currently doing business in California.

This action will bring benefits to the welfare of California residents, worker safety and the state's environment as the fees increased by this regulatory action will ensure the continued operation of the programs that are generated through the collection of the fees. These programs include vehicle registration, transfers, special license plates, and specified driver license transactions.

PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS

A pre-notice workshop, pursuant to Government Code section 11346.45, is not required because the issues addressed in the proposal are not so complex or large in number that they cannot easily be reviewed during the comment period.

ALTERNATIVES CONSIDERED

The department must determine that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

CONTACT PERSON

Any inquiries or comments concerning the proposed rulemaking action may be addressed to:

Randi Calkins, Regulations Analyst
Department of Motor Vehicles
Legal Affairs Division
P.O. Box 932382, MS C-244
Sacramento, CA 94232-3820

Any inquiries or comments concerning the proposed rulemaking action requiring more immediate response may use:

Telephone: (916) 657-8898
Facsimile: (916) 657-6243
E-Mail: LADRegulations@dmv.ca.gov

In the event the contact person is unavailable, inquiries should be directed to the following back-up person:

Shelly Johnson Marker, Chief of Staff
Telephone: (916) 657-6469

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The department has prepared an Initial Statement of Reasons for the proposed regulatory action, and has available all the information upon which the proposal is based. The contact person identified in this notice shall make available to the public upon request the Express Terms of the proposed regulatory action using underline or italics to indicate additions to, and strikeout to indicate deletions from the California Code of Regulations.

The contact person identified in this notice shall also make available to the public, upon request, the Final Statement of Reasons and the location of public records, including reports, documentation and other materials related to the proposed action. In addition, the above-cited materials (the Notice of

Proposed Regulatory Action, the Initial Statement of Reasons, and Express Terms) may be accessed at <https://www.dmv.ca.gov/portal/dmv/detail/about/lad/regactions>.

AVAILABILITY OF MODIFIED TEXT

Following the written comment period, and the hearing if one is held, the department may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the fully modified text, with changes clearly indicated, shall be made available to the public for at least 15 days prior to the date on which the department adopts the resulting regulations. Request for copies of any modified regulations should be addressed to the department contact person identified in this notice. The department will accept written comments on the modified regulations for 15 days after the date on which they are first made available to the public.